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**STRENGTHENING COOPERATION WITHIN THE ECE REGION:
OPERATIONAL ACTIVITIES AND COOPERATION WITH REGIONAL/SUBREGIONAL
GROUPINGS, INITIATIVES AND ORGANIZATIONS**

Note by the Executive Secretary

- It is encouraging that financial or in kind contributions have been received for a few major individual projects and contributors have to be thanked. Nevertheless, there is an increasing need for Governments of ECE member States to explore possibilities for providing additional financing in support of various types of activities (advisory missions, seminars, training workshops) enabling countries in transition to implement the norms and standards adopted by the ECE. Contributions to TFACT are a major tool for carrying out these types of activities, thereby responding in a flexible manner to evolving new needs. Additional funding is also needed for developing projects within the framework of sub-regional groupings and initiatives, in particular the Southeast European Cooperative Initiative (SECI); the Special Programme for the Economies of Central Asia (SPECA).
- The Commission may wish to request each PSB to look at the operational activities undertaken within its field of competence and mandate and to provide its views on the directions they should take. A synthesis of the conclusions of each PSB's review would be prepared for the Commission's consideration at its fifty-fifth session, which could enable the Commission to provide further guidance for the technical assistance programme and its financing.

INTRODUCTION

1. At its fifty-third session, the Commission requested the secretariat to continue to respond in a balanced manner to requests for technical assistance. While recognizing the benefits of responding to demands emanating from subregional groupings or initiatives, given the multiplier effect and the limited resources available, attention should continue to be given to the needs of individual countries. The selection of projects, whether emanating from sub-regions or from individual countries, should be based on their value-added and merit. Particular attention should be paid to countries which do not benefit sufficiently from other programmes of technical assistance. The secretariat has paid due attention to all these requests and considered them as guiding principles in carrying out its operational activities.

2. The form and methods of operational activities vary according to the needs of the recipient countries and sub-regions. They may involve: preparation and implementation of specific programmes, both issue- and sub-region-oriented; preparation of project proposals; preparation of case studies, surveys and substantive documents; organization of workshops, seminars, conferences and other expert group meetings; substantive participation in meetings organized by other international organizations and national authorities; collection and dissemination of statistical data and information, using in particular the World Wide Web; consultative and advisory missions; study tours and training programmes, etc.

3. Operational activities are carried out in many cases in close cooperation with other United Nations bodies and international and national organizations.

4. Tables 1 and 2 (see E/ECE/1368/Add.1) contain specific information on the activities of the Regional Advisers and provide a list of workshops, seminars, study tours and training courses organized since March 1998 or already planned to be organized in the future. These include events organized directly by ECE and those to which ECE has contributed or given support. Table 3 (see E/ECE/1368/Add.1) summarizes operational activities undertaken for subregional groupings/special initiatives/programmes.

I. COOPERATION WITH SUBREGIONAL ORGANIZATIONS AND INITIATIVES

5. At its last session, the Commission expressed its appreciation of the effective cooperation and dialogue that had been established with sub-regional organizations and initiatives and requested that such cooperation continue to be strengthened. In response to this request, in the course of 1998, operational activities carried out in cooperation with, or in the framework of, sub-regional organizations or initiatives have been intensified and include the exchange of information, provision of expertise within available resources, and joint organization and support of these activities. Some

specific details of ECE's cooperation with these entities are given in Table 3.

6. A Cooperation Agreement between ECE and the **Central European Initiative** (CEI) was signed in May 1998. This Agreement provides a mechanism for the implementation of the CEI/ECE Cooperation Programme: a focal point within the secretariat financed by the Secretariat for CEI Projects at the EBRD was appointed in October 1998. A CEI Project Opportunity Methodology, outlining the procedures for documenting project ideas and opportunities and submitting project proposals to the EBRD and other international institutions, has been jointly developed. Ten project proposals have already been prepared.

7. The ECE provided a substantial contribution to the organization of the CEI Summit Economic Forum (Zagreb, November 1998) including a study on "Economic Disparities in Central and Eastern Europe and the Impact of EU Enlargement". A discussion paper on the preparation of the strategy and programme for the CEI Working Group on SMEs was prepared and a seminar on the role of Governments in enterprise creation and support to SMEs was organized jointly with the CEI Executive Secretariat in Italy in September 1998.

8. Cooperation with the **Interstate Economic Committee of the Economic Union of the Commonwealth of Independent States** (CIS) has continued, although organizational restructuring at the two bodies limited the extent of cooperation in 1998. Discussions with the Executive Secretary of the CIS have confirmed that the substance and scope of cooperation need constant adjustment to reflect both socio-economic and political realities in the CIS member countries.

9. The Interstate Eurasian Coal and Metals Community of the CIS has been interacting with ECE on the issues of restructuring the coal mining sector and protection of the environment in CIS countries. Its initiatives on the use of methane gas in coal mines for energy production hold out good prospects for solving important socio-economic, technical and environmental problems and have the potential for replication in other countries. Other areas of cooperation include energy efficiency and security in CIS countries and the preparation of the 2000 round of censuses together with the Interstate Statistical Committee.

10. At a summit meeting in Yalta in June 1998 the Heads of State and Delegates of participating Governments signed the Charter of the **Black Sea Economic Cooperation** (BSEC), thereby transforming the existing intergovernmental mechanism into a fully fledged economic organization with eleven member States. Cooperation with BSEC during the period under review has been particularly fruitful on issues related to SMEs and energy. Three workshops on SME-related topics were organized jointly by ECE and BSEC with

financial support from the Konrad Adenauer Foundation in Romania (May 1998), Republic of Moldova (November 1998) and Armenia (March 1999). Two further workshops in this area are planned to be held in Turkey and the Russian Federation in the autumn. ECE developed a network of SME focal points for the BSEC countries which was published by the BSEC secretariat in 1998.

11. A review of the development of Energy Efficiency Demonstration Zones in BSEC countries and financial mechanisms for energy efficiency projects in these zones was prepared and proposed to the BSEC secretariat as background material for a workshop on the subject to be organized jointly by the ECE and BSEC secretariats.

12. The Executive Secretary will address an International Round Table, "The Black Sea Economic Cooperation in the Turn of the 21st Century", to be held in Tbilisi on 9-10 March 1999. His presentation will focus on Economic Trends and Challenges in the Black Sea Region and is intended to contribute to the establishment of the agenda for the future economic strategy of the Region.

13. Substantial technical assistance has been provided to the **Southeast European Cooperative Initiative** (SECI) in helping it to perform its mandate of encouraging cooperation among the countries of the region and facilitating the access of southeast Europe to European integration.

14. In addition to the seven on-going projects being implemented, two more were added during the period under review: cooperation among security markets; and combatting cross-border crime and corruption. The work of all these projects is at different stages of implementation and has been reviewed by various ad hoc project groups and the Agenda Committee. ECE's contribution to the implementation of the projects consisted of the following activities: preparation of project outlines for the Agenda Committee; further elaboration of these outlines for meetings of the working groups; securing the cooperation of other UN bodies and agencies as requested by the Coordinator; provision of advisory services and organization of workshops within available resources; regular consultations with the Coordinator and direct reporting to the Agenda Committee.

15. The decision-making body of the Southeast European Cooperative Initiative (SECI) is the Agenda Committee, comprising high ranking government officials from each of the eleven participating States who act as SECI national coordinators. At its tenth meeting, held at the Palais des Nations on 1 February 1999, the Agenda Committee favourably reviewed the progress achieved within the SECI framework and agreed to continue the Initiative for another two years. Delegates noted that SECI projects set reasonably ambitious objectives and focused on achieving near-term results, which they felt contributed to the Initiative's success. The Agenda Committee also

welcomed the explicit support given by the EU, EC and the Russian Federation as well as the decision by the Economic Commission for Europe to complement its existing technical support to SECI projects by appointing country focal points in the secretariat to help with the exchange of information about developments in the different SECI project activities.

16. In March 1998, the Presidents of Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan, and the Executive Secretaries of ECE and ESCAP signed the Tashkent Declaration on the United Nations **Special Programme for the Economies of Central Asia** (SPECA). In September 1998, Turkmenistan officially informed ECE of its decision to join the Programme and the Tashkent Declaration. SPECA participants still have to adopt officially the SPECA concept paper at the level of Heads of Government and to hold the SPECA public presentation meeting.

17. Since the adoption of the Tashkent Declaration, the established lead countries in coordination with ECE and ESCAP have been working on forming Project Working Groups (PWGs) and preparing background "diagnostic" papers for the first meetings of the PWGs. ECE experts, in coordination with ESCAP, have contributed to the first sessions of the PWGs on transport infrastructure and border crossing facilitation (Almaty, October 1998) and on rational and efficient use of the energy and water resources of Central Asia (Bishkek, November 1998). Preparatory work for the sessions of PWGs with the lead countries of Tajikistan (international economic conference), Turkmenistan (regional cooperation in developing a multi-choice approach to hydrocarbon supply routes through pipelines to world markets) and Uzbekistan (subject not yet decided) has been going on. It is expected that the finalization of the organizational arrangements for SPECA will give an impetus to this work.

18. The Programme provides for substantial resource mobilization of the participating countries. It also counts on the resources from private and public sector and organizations, from supporting and other countries. In view of the current economic situation in the participating countries, one can hardly overestimate the importance of external support to SPECA. In fact, the role of the supporting States is crucial as they will be called upon to provide intellectual, organizational and financial assistance. Indications of interest and support, in particular from OSCE member countries, have been very promising, and the ECE secretariat will work to channel this support and make it coordinated.

19. SPECA is widely considered as a contribution to a more democratic, economically better off and more stable world and as such strongly deserving of political and material support from other member countries. ECE experts are promoting such a view and working for this vision to materialize. They

encourage SPECA countries to mobilize their own resources and to invite their main economic partners to contribute to SPECA as supporting States.

II. COOPERATION IN THE MEDITERRANEAN REGION

20. ECE recognizes the specific problems of the countries of the Mediterranean area which comprise developing countries, economies in transition and advanced market economies. These problems include air and water pollution, water management, energy supply and consumption, transport and trade relations and are addressed both through ECE's regular programme and its operational activities.

21. In cooperation with gas companies of Italy and Turkey, ECE organized the Mediterranean Gas Conference in Istanbul in April 1998. Preparations are under way for the next "Mediterranean Gas Conference: Preparing for the Next Era" to be held in Palermo, Italy on 13-14 April 1999. ECE has continued to support the activities of the Western Mediterranean Transport Study Centre (CETMO) and the Eastern Mediterranean Transport Study Centre (TRANSCEM) in carrying out research on the development of transport infrastructures in the Mediterranean area. A project proposal for the organization of a workshop on "Information in Research and Development Activities - Obstacles and Problems" in 1999 was prepared and transmitted to the Malta Council for Science and Technology (MCST). The proposal was welcomed by the Maltese authorities and a final decision is expected to be taken soon.

22. At its last session, the Commission requested the intensification of attention paid to the specific circumstances of the Mediterranean countries.

- ECE's efforts have very often failed because of lack of financial resources for organizing events or projects of interest to countries of the Mediterranean region. These countries may wish to mobilize funds for this kind of activities which would enable them to benefit from ECE's expertise and neutrality.
- The Mediterranean region includes countries which are not members of ECE. Some of them have been successfully involved in ECE events or projects. It is therefore suggested that efforts be made to strengthen their participation in similar activities in the future.

III. PROBLEMS AND FUTURE WORK ORIENTATIONS

23. For unexpected reasons, ECE has witnessed a diminishing level of resources with respect to funding and staffing for the Regional Advisory programme in 1999 (Section 21 of the programme budget). Consequently, the activities of the Regional Advisers have been considerably reduced between 1998 and 1999 and it will not be possible to satisfy all requests from

Governments. The Regional Advisors play a pivotal role in advising and helping the countries in transition to apply ECE norms, standards and conventions and contribute to an increased awareness of the importance of institution building. Therefore support from member States to come back to at least the previous level of Section 21 of the ECE budget would be welcome.

24. Some substantial extra-budgetary financial means have been provided to support both substantive and operational activities in specific areas of ECE's work: UN/EDIFACT; industrial structural change and development; trade finance and investment for the Russian timber sector; TIR Convention; TER, TEM and TINA/TEM Projects; SECI; Environmental Performance Reviews; Implementation of the Convention on Long-range Transboundary Air Pollution (EMEP); Energy Efficiency 2000 Project; promotion and development of a market-based gas industry in economies in transition. Financial support was also given by the private sector, in particular for gas and energy efficiency projects. A positive response was received from the Konrad Adenauer Foundation to participate financially in the organization of selected workshops in the future. The United Nations Fund for International Partnerships (UNFIP) has recently committed to provide funds of up to US\$ 2 million for a three-year ECE Energy Efficiency Investment Project that will enhance the energy efficiency, infrastructure and capacity of five east European and CIS countries (Belarus, Bulgaria, Kazakhstan, Russian Federation and Ukraine) which have signed the UN Framework Convention on climate change.

25. In addition to the above, there is an increasing need of funding for a variety of activities which are not very costly but which play an important role in supporting the effective implementation of the normative work of the ECE through individual advisory missions, seminars and training workshops for groups of countries in transition. TFACT is the Trust Fund established for this purpose and should be increased in view of the above.

26. In major areas of ECE's work, the direction of operational activities for the forthcoming twelve months are as follows:

(a) In the field of transport, in addition to the further development of the TEM and TER projects the emphasis will be on the assessment of regulatory and infra-structural items in the inland transport sector.

(b) In order to establish a coherent assistance programme by country in its domain, the Committee for Trade, Industry and Enterprise Development would like to nominate focal points for trade, industry and enterprise development in all the countries with economies in transition, especially for the CIS. These focal points could be based in already existing agencies such as investment promotion agencies, the PRO committees for trade facilitation, export promotion agencies, intellectual property offices, and enterprise development institutes. It is expected that the resources needed to

facilitate meetings between the secretariat and these focal points will be available.

(c) Some major new operational activities in environment are related to an up-coming Protocol to the ECE Water Convention and to the Aarhus Convention on Public Participation. The Protocol on Water and Health will be open for signature at the Ministerial Conference "Environment and Health" in London in June 1999. Preparations for some pilot projects for early implementation of the Protocol are being prepared in cooperation with a number of countries in central and eastern Europe. The signatories to the Aarhus Convention will convene a meeting in the Republic of Moldova in April 1999 and agree on a work plan which will include various activities on capacity building and guidance for early implementation of the Convention.

(d) The most pressing concern of nearly all statistical offices in countries in transition is the 2000 round of population censuses. Their need for a census is, for many reasons, greater than the needs of other countries but they are very short of funds to do the work and are also in need of technical support. The ECE has been providing assistance for some time now mainly through UNDP/UNFPA funded projects and expects to do so, in cooperation with other institutions, during the coming year and longer.

(e) High priority will be given to supporting the collection, analysis and dissemination of accurate and comprehensive timber data regarding forest resources in the region as well as timber production and trends regarding the marketing forest products;

(f) In the field of energy, which remains the top priority for many countries in transition, it will be necessary to concentrate the activities of the Regional Adviser on Sustainable Energy on a limited number of countries taking into account their development priorities and governmental support regarding cooperation with ECE in each priority area.

(g) ECE has made greater use of the latest information technologies which create new opportunities for the efficient and rapid exchange of information and ideas and, in part, may compensate for a country's absence at a given meeting. To this end, Internet WWW sites have been created where extensive information on ECE's operational activities in various fields can be found. The application of the ECE WebSite will certainly help to increase access to, and thus the effectiveness of, ECE activities and deserves, therefore, further development. The Governments of countries in need of technical assistance should make every effort to invest in new information technologies so that they can gain the maximum benefit from ECE activities.

IV. CONCLUSION

27. Even though efforts are being made to utilize existing resources efficiently, there is still an increasing need to explore possibilities for the additional financing of ECE operational activities. In response to the pressing needs and increasing number of requests for technical assistance from many ECE member States, and in order to maximize the impact of its technical assistance, the Commission may also wish to request each PSB to look at the operational activities undertaken within its field of competence and mandate and to provide its views on the directions they should take. The review by PSBs could cover the activities of the Regional Advisers, activities undertaken in cooperation with other institutions, the private sector and NGOs, as appropriate. A synthesis of the conclusions of each PSB's review would be prepared for the Commission's consideration at its fifty-fifth session, which could enable the Commission to provide further guidance for the technical assistance programme and its financing.
